



2005 SEP 12 AM 10:33

September 6, 2005

Mr. John F. Carter
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, California 94105

RE: Comments Regarding FDIC Application # 20051977; Wal-Mart Application for Insurance and Industrial Bank Charter

Dear Mr. Carter:

I am President of a \$250,000,000 community bank located in Southwest Oklahoma. I am writing to comment on the Wal-Mart Stores, Inc. application for a Utah industrial bank or industrial loan company (ILC) and federal deposit insurance. I and my Board of Directors oppose the application and urge the FDIC to deny the application.

I am sure others have expressed their opposition to the application showing the large conflict of interest inherent in mixing Banking and Commerce and the impact on consumers. I would also like to address what would continue to happen to more and more local business should Wal-Mart obtain any access to the payment system. They would be able to reduce banking overhead because of their size that other small business would still have to pay for. This would allow Wal-Mart to continue to lower prices and drive even more small business out of the market. As others have stated, Wal-Mart's commitment to the local community is very limited. I have served six years on the local Chamber of Commerce and one year as the Chairman. I have personal experience about how little Wal-Mart donates back to the community. Trying to get a \$500 donation is like pulling teeth.

I have not read their business plan but understand it does not now contemplate branches. However, in business, the plans change and much as a camel getting its nose

under a tent, Wal-Mart would not be the company it has become if it did not have expansion of services planned. If they do not want to expand services, why are they even asking for this application approval.

As many people have already decided in various laws and regulations, the mixing of commerce and banking is a bad idea at any size. Allowing Wal-Mart into the banking system would not be in keeping with the basic policy that has allowed small business to have a place to get start-up capital and where other factors beside credit scores count.

I hope your decision is one that would keep commerce and banking separate and reject the Wal-Mart application.

Sincerely,

A handwritten signature in dark ink, appearing to read "Philip McMahan". The signature is fluid and cursive, with the first name "Philip" and last name "McMahan" clearly distinguishable.

Philip McMahan
President